

## Message Text

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PAGE 01 OTTAWA 03543 172213Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 DOE-15 SOE-02 EB-08 CIAE-00  
DODE-00 NSAE-00 NSCE-00 ICAE-00 INRE-00 AID-05  
CEA-01 COME-00 H-01 INR-10 INT-05 L-03 OMB-01  
PM-05 OES-09 SP-02 SS-15 STR-07 TRSE-00 ACDA-12  
/114 W

-----062975 172218Z /75

O 172201Z JUL 78  
FM AMEMBASSY OTTAWA  
TO SECSTATE WASHDC IMMEDIATE 8066  
INFO AMCONSUL CALGARY POUCH

C O N F I D E N T I A L OTTAWA 03543

PASS DOE FOR BERGOLD AND GOLDMAN, AND DOE/FERC FOR SMITH  
AND ADGER

STATE FOR EUR/CAN AND EB (BOSWORTH)

E.O. 11652: GDS  
TAGS: ENRG, CA  
SUBJECT: FOOTHILLS' PIPE PROCUREMENT PLAN  
REF: OTTAWA 3524

1. FOLLOWING-UP ON SHARP'S LETTER TO AMBASSADOR(AS WE  
INDICATED FINAL PARAGRAPH REFTEL) DCM TALKED MORNING OF  
JULY 17 WITH BASIL ROBINSON OF NORTHERN PIPELINE AGENCY,  
IN ABSENCE OF SHARP (CURRENTLY IN WINNIPEG).

2. DCM MADE THREE POINTS:

(A.) BLAIR'S USE OF EXPRESSION "APPROVED SUPPLIERS"  
IS NOT CLEAR TO US. OBVIOUSLY GREAT DEAL WILL DEPEND ON  
CRITERIA DETERMINING WHICH SUPPLIERS WILL BE "APPROVED"  
AND WE HAVE NO INFORMATION ON THIS POINT.

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(B.) BLAIR'S ASSERTION THAT FOREIGN SUBMISSIONS WILL BE  
CONSIDERED ONLY AFTER CONSIDERING "NATIONAL PROCURING  
AND SUBSIDIZING POLICIES" APPEARS INCONSISTENT WITH OUR  
BASIC UNDERSTANDING ON GENERALLY COMPETITIVE BIDDING.

(C.) EMBASSY STRONGLY URGES PIPELINE AGENCY TO FORESTALL  
ANY PUBLIC ANNOUNCEMENTS OR ACTIONS BY FOOTHILLS UNTIL

USG HAS AN OPPORTUNITY TO COMMENT ON SHARP'S LETTER TO AMBASSADOR AND ITS ENCLOSURE (I.E., BLAIR'S LETTER TO MACEACHEN).

3. DCM CONCLUDED BY STRESSING THAT THESE WERE EMBASSY VIEWS WHICH HAD BEEN COMMUNICATED TO WASHINGTON AND THAT DEFINITIVE RESPONSE WOULD OF COURSE HAVE TO COME FROM WASHINGTON AGENCIES.

4. ROBINSON TOOK NOTE OF THESE POINTS, AND AFTER CHECKING WITHIN HIS OWN AGENCY AND WITH FOOTHILLS, HE CALLED DCM BACK WITH FOLLOWING RESPONSES:

(A) WITH RESPECT TO "CRITERIA" FOR DETERMINING "APPROVED SUPPLIERS", FOOTHILLS HAS DISCUSSED THE SUBJECT WITH ITS U.S. PARTNERS BUT HAS NOT PUT ON PAPER ANY DETAILED LIST OF CRITERIA. FOOTHILLS BELIEVES ANY FIRM THAT HAS DEMONSTRATED CAPACITY TO BUILD PIPE OF REQUIRED SIZE SHOULD BE PUT ON APPROVED LIST, EVEN IF IT HAS NOT YET DEMONSTRATED CAPACITY TO BUILD PIPE OF REQUIRED QUALITY.

(B) ONCE BIDDERS LIST HAS BEEN ISSUED, BOTH FOOTHILLS AND PIPELINE AGENCY WILL BE PREPARED TO RESPOND TO QUESTIONS AND PROPOSALS. ROBINSON NOTED THAT IT WILL BE MILLICAN'S RESPONSIBILITY TO RESPOND TO ANY REPRESENTATIONS U.S. CHOOSES TO MAKE CONCERNING INCLUSION OF ADDITIONAL CONFIDENTIAL

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SUPPLIERS.

(C) WITH RESPECT TO OUR QUERY ON "FOREIGN SUBMISSIONS" AND "NATIONAL PROCURING AND SUBSIDIZING POLICIES", ROBINSON STATED THAT HE HAD QUESTIONED FOOTHILLS VERY CLOSELY ON THIS LANGUAGE. AFTER SOME BACKING AND FILLING, FOOTHILLS ACKNOWLEDGED THAT THE PHRASE "FOREIGN SUBMISSIONS" WOULD REFER TO ANY NON-CANADIAN SUPPLIER, INCLUDING U.S. FIRMS.

(D) PIPELINE AGENCY HAS RECEIVED COMMITMENT FROM FOOTHILLS THAT IT WILL NOT GO PUBLIC ON BIDDING WITHOUT FIRST CONSULTING THE AGENCY. ROBINSON THINKS FOOTHILLS WILL NOT BE READY TO PROCEED UNTIL LATER IN WEEK BEGINNING JULY 17, SO THAT WITH DELAY INHERENT IN GETTING AGENCY CONCURRENCE, BID DOCUMENTS WOULD NOT GO OUT UNTIL WEEK BEGINNING JULY 24. NEVERTHELESS, ROBINSON EXPRESSED AGENCY'S VERY STRONG DESIRE THAT ANY USG COMMENTS ON THE SHARP LETTER AND ITS ENCLOSURE BE FORTHCOMING ASAP.

5. DCM UNDERTOOK TO CONVEY THESE CLARIFICATIONS TO WASHINGTON AGENCIES, INCLUDING REQUEST FOR URGENT RESPONSE.

ENDERS

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROCUREMENT  
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**Draft Date:** 17 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
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**Disposition Reason:**  
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**Executive Order:** GS  
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**Review Markings:**  
Sheryl P. Walter  
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